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For Immediate Release

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December 3, 2009

## **Insurers Warn of Fraudulent Claims from EP Hailstorm**

In the past few years the city of El Paso has been pounded by frequent hailstorms. On September 16, El Paso had its costliest hailstorm causing insured losses in excess of \$150 million.

While the majority of El Paso homeowners and vehicle owners have reported legitimate claims to insurers, companies note that the possibility of insurance fraud exists with some claims.

“As a homeowner who may need a new roof, but whose home was not damaged in the most recent storm, it’s tempting to do whatever it takes to get a new one, but filing a fraudulent claim is not the route to take,” said Mark Hanna, a spokesman for the Insurance Council of Texas (ICT).

Insurance adjusters are trained to identify hail damage. After a storm, adjusters examine roofs and can identify the direction of the storm, size of the hail, when the damage occurred and check homeowner records for any previous losses.

“With previous hailstorms, some homeowners have filed claims, been paid, but never made roof repairs. They won’t be able to collect twice for the same loss,” Hanna said. New homeowner claims are still being reported from the September hailstorm. The damage to El Paso homes averaged \$6,500, while automobiles received an average of \$4,000 in damage.

The National Insurance Crime Bureau says insurance fraud claims involving roof repairs from hailstorms increased 148 percent in the past 12 months. This increase in fraudulent claims has insurers taking an even closer look at claims.

Insurers ask homeowners who suspect that their roofs may have been damaged to contact their insurance agents or companies as soon as possible. Sometimes, homeowners won’t make that call until they find their roof leaking during a heavy rain. Failure to make timely repairs can lead to additional damage to homes and open the possibility of insurers canceling or non-renewing the homeowner’s policy.

Persons who suspect insurance fraud from the storm are asked to contact the Texas Department of Insurance Fraud Hotline at 1-888-327-8818. Insurers take a zero tolerance on insurance fraud and violators will be prosecuted. Filing a fraudulent claim in excess of \$1,500 can lead to a state jail felony.

The Insurance Council of Texas is the largest state insurance trade association in the country consisting of more than 500 property and casualty insurers writing business in Texas. For more information turn to ICT’s Web site at [www.insurancecouncil.org](http://www.insurancecouncil.org).

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